



2006.270-E

December 7, 2007

Mr. Charles L.A. Terreni
 Chief Clerk/Administrator
 South Carolina Public Service Commission
 101 Executive Center Dr., Suite 100
 Columbia, South Carolina 29210

Dear Mr. Terreni:

In compliance with the Public Service Commission's Order No. 18,100 in Docket No. 17,134 dated January 15, 1975; a request from the Executive Director dated September 30, 1987; Order Nos. 88-864 and 88-971 in Docket No. 88-11-E; and the officer verification certification enacted by the Commission on December 17, 2002, Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. submits the following information per its books and as adjusted for the 12-month period ending September 30, 2007:

1. Officer verification certificate
2. System Rate of Return on Rate Base - Exhibit A1
3. South Carolina Rate of Return on Rate Base - Exhibit A2
4. Return on Common Equity (Allocated to South Carolina Retail) - Exhibit B
5. Earnings Per Share on Progress Energy's Common Stock - \$2.57
6. Debt Coverage Ratio or Earnings to Fixed Charges - 4.49 times

The allocations and adjustments required to determine the information requested in the Commission's orders and request are in general accordance with the allocation methodology described by the Commission in our most recent general rate case (Docket No. 88-11-E, Order No. 88-864). The level of detail encompassed in this report is not sufficient for ratemaking purposes.

Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions, please call me at 919-546-7091.

Sincerely,

Michele de Lyon
 Principal Business Financial Analyst
 Progress Energy Service Company

21450

c: John Flitter

Enclosure

Progress Energy Service Company, LLC
 P.O. Box 1151
 Raleigh, NC 27612

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2007

EXHIBIT A1

SYSTEM TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL		TOTAL WITH
(1)	PER BOOKS	ADJUSTMENTS	ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	4,320,275,485	(85,143,601)	4,235,131,884
OPERATING EXPENSE:			
NET O&M EXPENSES	2,409,485,768	(34,631,853)	2,374,853,915
DEPRECIATION	743,529,261	33,449,130	776,978,391
TAXES (OTHER THAN INCOME)	199,990,266	(2,115,097)	197,875,169
INCOME TAX - STATE	40,516,943	(9,781,036)	30,735,907
INCOME TAX - FEDERAL	272,574,303	(37,643,189)	234,931,114
PROV. FOR DEFERRED TAXES	(19,910,358)	28,780,385	8,870,027
INVESTMENT TAX CREDIT	(5,733,012)	-	(5,733,012)
TOTAL OPERATING EXPENSE	3,640,453,171	(21,941,660)	3,618,511,511
INCOME FOR RETURN:			
OPERATING INCOME	679,822,314	(63,201,941)	616,620,373
CUSTOMER GROWTH	6,769,724	(629,370)	6,140,354
INTEREST ON CUST. DEPOSITS	(3,727,415)	-	(3,727,415)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	682,864,623	(63,831,311)	619,033,312
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	14,732,701,924	166,060,838	14,898,762,762
PLANT HELD FOR FUTURE USE	2,423,484	-	2,423,484
RESERVE FOR DEPRECIATION	(7,794,946,409)	281,274,265	(7,513,672,144)
NET PLANT IN SERVICE	6,940,178,999	447,335,103	7,387,514,102
NUCLEAR FUEL INVENTORY	255,022,411	-	255,022,411
DEFERRED TAXES - LIB. DEPR.	(632,806,203)	149,547,965	(483,258,238)
REGULATORY ASSETS	103,935,660	(76,927,628)	27,008,032
WORKING CAPITAL:			
MATERIALS & SUPPLIES	844,132,318	(255,456,021)	588,676,297
CASH WORKING CAPITAL	453,395,682	-	453,395,682
UNCLAIMED REFUNDS	(7,575)	-	(7,575)
PREPAYMENTS	496,698	-	496,698
TAX ACCRUALS	(149,078,975)	-	(149,078,975)
CUSTOMER DEPOSITS	(67,513,346)	-	(67,513,346)
OPERATING RESERVES	(591,636,538)	-	(591,636,538)
CUSTOMER ADVANCES FOR CONSTR.	(29,985,478)	-	(29,985,478)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	459,802,786	(255,456,021)	204,346,765
TOTAL RATE BASE	7,126,133,653	264,499,419	7,390,633,072
RATE OF RETURN (%)	9.58		8.38

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2007

EXHIBIT A2

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL		TOTAL WITH
(1)	PER BOOKS	ADJUSTMENTS	ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	537,480,115	8,236,078	545,716,193
OPERATING EXPENSE:			
NET O&M EXPENSES	385,850,463	(6,092,858)	379,757,605
DEPRECIATION	62,252,558	4,553,680	66,806,238
TAXES (OTHER THAN INCOME)	20,791,188	151,473	20,942,661
INCOME TAX - STATE	5,589,173	989,530	6,578,703
INCOME TAX - FEDERAL	4,755,578	8,442,988	13,198,566
PROV. FOR DEFERRED TAXES	(12,532,237)	2,874,571	(9,657,666)
INVESTMENT TAX CREDIT	(818,521)	-	(818,521)
TOTAL OPERATING EXPENSE	465,888,202	10,919,384	476,807,586
INCOME FOR RETURN:			
OPERATING INCOME	71,591,913	(2,683,306)	68,908,607
CUSTOMER GROWTH	230,415	(8,636)	221,779
INTEREST ON CUST. DEPOSITS	(346,631)	-	(346,631)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	71,475,697	(2,691,942)	68,783,755
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,126,150,246	23,917,885	2,150,068,131
PLANT HELD FOR FUTURE USE	349,056	-	349,056
RESERVE FOR DEPRECIATION	(1,121,754,592)	39,753,075	(1,082,001,517)
NET PLANT IN SERVICE	1,004,744,710	63,670,960	1,068,415,670
NUCLEAR FUEL INVENTORY	36,786,842	-	36,786,842
DEFERRED TAXES - LIB. DEPR.	(102,074,977)	13,167,708	(88,907,269)
REGULATORY ASSETS	17,983,873	(11,079,952)	6,903,921
WORKING CAPITAL:			
MATERIALS & SUPPLIES	108,872,516	(22,316,267)	86,556,249
CASH WORKING CAPITAL	69,602,727	-	69,602,727
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	81,284	-	81,284
TAX ACCRUALS	(18,122,245)	-	(18,122,245)
CUSTOMER DEPOSITS	(11,022,758)	-	(11,022,758)
OPERATING RESERVES	(84,325,687)	-	(84,325,687)
CUSTOMER ADVANCES FOR CONSTR.	(3,992,524)	-	(3,992,524)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	61,093,313	(22,316,267)	38,777,046
TOTAL RATE BASE	1,018,533,761	43,442,447	1,061,976,208
RATE OF RETURN (%)	7.02		6.48

PROGRESS ENERGY CAROLINAS
S.C. QUARTERLY REPORT
S.C. RETAIL - RETURN ON COMMON EQUITY
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2007

"PER BOOKS"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,460,876,731	47.49%	483,701,684	5.64%	27,280,775
PREFERRED STOCK	59,333,982	0.81%	8,250,123	6.09%	502,432
COMMON EQUITY	3,767,976,582	51.70%	526,581,954	8.30%	43,692,490
TOTAL CAPITALIZATION	7,288,187,295	100.00%	1,018,533,761		71,475,697

"ADJUSTED"

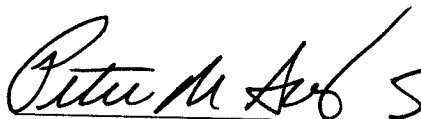
DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,403,948,196	47.70%	506,562,651	5.64%	28,570,134
PREFERRED STOCK	59,333,982	0.83%	8,814,403	6.09%	536,797
COMMON EQUITY	3,673,247,077	51.47%	546,599,154	7.26%	39,676,825
TOTAL CAPITALIZATION	7,136,529,255	100.00%	1,061,976,208		68,783,755

CERTIFICATION

(Certification must be signed by the Chief Financial Officer)

I, Peter M. Scott III, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

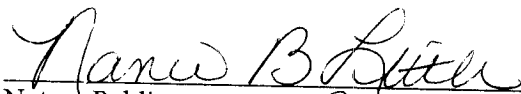
The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2007 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.



Peter M. Scott III
Executive Vice President and Chief Financial Officer
Progress Energy, Inc.

December 6, 2007
Date Signed

Subscribed and Sworn to before me this 6 day of December, 2007.



Notary Public

My Commission Expires:

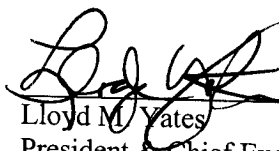
July 1, 2010

CERTIFICATION

(Certification must be signed by the Chief Executive Officer)

I, Lloyd M. Yates, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2007 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.

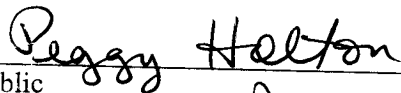


Lloyd M. Yates
President & Chief Executive Officer
Progress Energy Carolinas, Inc.

11/27/07

Date Signed

Subscribed and Sworn to before me this 27th day of November, 2007



Notary Public

My Commission Expires:

June 25, 2011